

May 6, 2015

The regular meeting of the New Richmond Utility Commission was held on May 6, 2015 at 3:30 p.m. at the Civic Center.

Jerry Frey called the meeting to order at 3:30 p.m.

Members Present: Jerry Frey, Bob Mullen, Dan Casey, and Pat Becker.

Members Absent: Gerry Warner

A motion was made by Bob Mullen to approve the agenda, seconded by Dan Casey, and carried.

A motion was made by Pat Becker to approve the minutes of the April 6, 2015 meeting, approve bills, and disbursements, seconded by Dan Casey, and carried.

Public Comment – None

Approval of Shared Savings Loan – Loehr Management, LLC – The Shared Savings Program is a low interest loan program offered by WPPI Energy to customers of member utilities to assist in financing energy efficiency projects. Loehr Management, LLC is interested in pursuing a lighting upgrade in their facility at 155 West Third Street. The project would upgrade existing fluorescent lighting to LED technology. A motion was made by Bob Mullen to enter into the Shared Savings Agreement with Loehr Management, LLC for an amount not to exceed \$25,000.00, seconded by Pat Becker, and carried.

SEH Contract – 2015/2016 Street and Utility Improvements – Jeremiah Wendt gave an update on the contract structure and detail for the 2015/2016 Street and Utility improvements. It is being proposed the City of New Richmond enter into an agreement with SEH for design services on all of the projects. SEH would set up a total of four contracts for design and construction services related to Street and Utility projects in the 2015 and 2016 construction seasons. Three contracts will be with the City of New Richmond, and one will be with the Town of Richmond. A motion was made by Bob Mullen to approve the design contract with SEH in an amount not to exceed \$251,350.00, seconded by Pat Becker, and carried.

PSI Contract – 2015/2016 Street and Utility Improvements Subsurface Exploration – Jeremiah Wendt gave an update on the subsurface exploration needed for the Street and Utility Improvements. A series of soil borings need to be performed to determine the condition of the soils beneath the proposed projects. Staff, with the assistance of SEH, have received proposals from four firms for this subsurface exploration work. Based on review of the proposals, staff is recommending that the City contract with PSI to perform this work. A motion was made by Pat Becker to approve the contract with PSI for the Subsurface Exploration, not to exceed \$11,475.00, seconded by Bob Mullen, and carried.

South Water Tower Reconditioning Project Update – Jeremiah Wendt reported the reconditioning has begun on the South Water Tower. One issue remaining is the logo. There is an additional \$2,000.00 fee to substitute the New Richmond Tiger Logo for the New Richmond City Logo. Warren Wood is confident funding will be raised to cover the additional \$2,000.00. A motion was made by Dan Casey to approve the Tiger logo, contingent on New Richmond Utilities entering into a contract with Warren Wood, not to exceed \$2,000.00, for the funding of the Tiger Logo, seconded by Pat Becker, and carried.

Water Tower Space Lease with St. Croix County – Jeremiah Wendt reported that St. Croix County would like to add emergency communication facilities on the City's south water tower. These facilities would benefit the City of New Richmond's emergency communications. As a result, staff is recommending the facilities be placed on the tower rent-free. As part of this process, staff have worked with the City's attorney, St. Croix County, and their consultants to draft a lease agreement with St. Croix County for these facilities. A motion was made by Bob Mullen to approve the lease agreement between New Richmond Utilities and St. Croix County, seconded by Dan Casey, and carried.

Department Reports:

Bob Meyer, Water Superintendent, gave the following report:

The Water Department has been assisting Lakeside Foods with the repair of their discharge line. Three leaks were repaired at Mary Park. The flushing of hydrants is ongoing. The Water Department has completed their work at the campgrounds. HydroCorp will be doing more commercial and industrial inspections. The presentations by the Water Department at the local schools will take place during the month of May.

Steve Skinner, Lead Wastewater Treatment Plant Operator, gave the following report:

Spring cleaning of the tanks is complete. The ultra violet disinfectant system is now online and working. Steve Skinner gave a tour of the plant to the 20/20 Vision Group. Comments were made on the cleanliness of the Waste Water Treatment Plant. Work continues on the Gravel Bed Nursery. Some grade work is needed to complete the project. The Sewer Department is also doing presentations to the 4th graders during the month of May.

Tom Rickard, Electric Superintendent, gave the following report:

The LED street light upgrades, as well as ITRON conversions are ongoing. Electric disconnects have begun for the summer months. The electrical work for six additional campsites at the campground have been completed. As time allows, the electrical department continues to work on the West Alley rebuild. An electrical pole on East 3rd Street was hit and will need to be replaced. Phillips Plastic is in the process of a large expansion which will require a new transformer. April 18, 2015 was Lineman Appreciation Day.

Jeremiah Wendt, Director of Public Works, gave the following report:

Jeremiah Wendt is continuing to work with SEH on the Street and Utility projects. He is coordinating with Sprint to remove their facilities from the South Water Tower, so the reconditioning of the tower can continue. Verizon and T-Mobile are completed, except for a small amount of touch up painting. A \$6,500.00 grant was received from the Bosch Community Fund. This will be used for a Gravel Bed Nursery, which will be constructed at the Waste Water Treatment Plant. This nursery will be sufficient to grow approximately 50 trees per year. Steve Skinner and Jeremiah attended a Biosolids meeting. The last loan payment was made, which brings a need to look into long term planning.

Nancy Petersen, Finance Director, gave the following report:

2014 Financials – We received a draft version of the 2014 Utility financials on May 4. Nancy Petersen is in the process of reviewing them before they are issued. Nancy is currently working on a financial analysis and review of each utility, which will be presented at a future meeting. This will include cash flow analyses and the new CIP debt projections. The 2006 Electric Revenue Bond has a call date of October 1, 2015. Options to consider refinancing, contributing excess electric utility funds or waiting to refinance until the Electric Utility needs to borrow for new projects will be presented at the June 3 Utility Commission meeting. Sean Lentz from Ehlers & Associates has been invited to attend this meeting.

Utility Office – When time has allowed, we have been working on the New Richmond Utility Billing Procedures Manual and again the goal is to have this complete by the end of 2015. With Spring here, there has been a significant uptick in customers moving in and out and we are continuing to process all of the paperwork for the ITRON meter conversion project.

Act 274 – Tariff Changes to Deferred Payment Agreements (DPA's) – On April 14 an application was filed with the Public Service Commission to change the Electric and Water Operating Rules Schedule X-1 related to changes to deferred payment agreements. The applications were accepted by the PSC on April 15, 2015. We have not received any communications since April 15.

MEUW District 1 and 2 Customer Service Roundtable Meeting – Diane and I attended MEUW's Customer Service Roundtable meeting on May 5 in Cornell, WI. Updates were provided on Act 274, current legislative issues including the proposal of closing the Local Government Property Insurance Fund which we have insurance through, the billing procedures manual, general discussions related to disconnections and processes, the upcoming MEUW Annual Conference, Fall Accounting, and Customer Service Seminar.

Weston Arndt, WPPI Energy Services Rep, gave the following report:

Phillips Medisize was given an incentive through the WPPI Energy RFP for Energy Efficiency application. The award funding of \$81,467.00 is for measures to include Central Resin Drying and Processing, LED Lighting, and High Efficiency chiller. Presentations are continuing on school education and outreach through the month of May. Wes met with Westfields Hospital to discuss the online display for the solar array on campus, as well as potential incentives for lighting and HVAC with their facility remodel. Wes also met with Domain to discuss energy efficiency opportunities, specifically lighting, and compressed air. Efficiency projects are underway at St. Croix Press. This includes exhaust heat and compressed air heat recovery. A \$1,000.00 scholarship will be awarded to a NRHS senior at the awards ceremony on May 22, 2015.

Mike Darrow, Utility Manager, gave the following report:

Marketing of the Solar Garden is going to begin. A billing insert will be done in June, outlining the benefits of the Solar Garden. Mike extended a thank you to the employees of the City of New Richmond, and New Richmond Utilities, for their efforts in preparing for the Loyalty Day Parade. The Finance Committee has given approval for the use of purchasing cards. Each department will be issued a purchasing card to purchase equipment, and for day to day expenses. Review of the employee handbook is ongoing. The largest issue continues to be the unfunded liability and sick time. The first draft of the salary study for employees of the City of New Richmond and New Richmond Utility has been completed. Staff is looking into the cost savings of a merger between the City of New Richmond and New Richmond Utility.

Communications and miscellaneous correspondence – None

There being no further business, a motion was made by Bob Mullen to adjourn, seconded by Dan Casey, and carried. The meeting adjourned at 4:40 p.m.

Jerry Frey, President

Bob Mullen, Secretary